

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2005-06

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Insurance
(AC-In)

File Naming Example:

Record of Comm. Proceedings ... RCP

- 05hr_AC-Ed_RCP_pt01a
- 05hr_AC-Ed_RCP_pt01b
- 05hr_AC-Ed_RCP_pt02

COMMITTEE NOTICES ...

➤ Committee Hearings ... CH (Public Hearing Announcements)

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Record of Comm. Proceedings ... RCP

➤ **

INFORMATION COLLECTED BY COMMITTEE
CLERK FOR AND AGAINST PROPOSAL

➤ Appointments ... Appt

➤ **

Name:

➤ Clearinghouse Rules ... CRule

➤ **

➤ Hearing Records ... HR (bills and resolutions)

➤ **05hr_ab0391_AC-In_pt01**

➤ Miscellaneous ... Misc

➤ **

04/27/2005 Assembly Bill 391 (no senate companion) (2003 AB 384 in Transportation)

relating to: compulsory financial responsibility for the operation of motor vehicles, granting rule-making authority, and providing a penalty.

By Representatives Lehman, Black, Cullen, Gunderson, Krusick, Petrowski, Seidel, Sinicki, Van Akkeren and Toles; cosponsored by Senators Wirch, Carpenter and Roessler.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Transportation (DOT) is required to notify the operator or owner of a motor vehicle that is involved in an accident that results in injury, death, or property damage of \$1,000 or more and to obtain a deposit of security for the accident. A deposit is not required if the person can provide proof of financial responsibility (an applicable motor vehicle liability insurance policy or bond that was in effect at the time of the accident providing not less than the following amounts for any single accident: \$25,000 for one person, \$50,000 for more than one person, and \$10,000 for property damage).

With certain exceptions, failure to provide proof of financial responsibility or a deposit of security after an accident results in suspension of the operator's motor vehicle operating privilege or of the registration of any vehicles registered by the owner of the vehicle involved in the accident. Any suspension continues until the person provides a deposit of security or otherwise clears his or her liability or a year elapses without an action being commenced as a result of the accident. The person must demonstrate proof of financial responsibility for the future before the person's operating privilege or registration is renewed or reinstated and must maintain that proof for three years. Proof of financial responsibility for the future may be demonstrated by having an insurance policy or bond in the same amounts as are required at the time of an accident or by maintaining a deposit of \$60,000 in cash or securities with DOT.

This bill expands the financial responsibility law by prohibiting any person from operating a motor vehicle upon a highway in this state unless the owner or operator of the vehicle assures financial responsibility for the operation of the vehicle (compulsory financial responsibility) by:

1. Having in effect a motor vehicle liability insurance policy or bond providing not less than the following amounts for any single accident: \$25,000 for one person, \$50,000 for more than one person, and \$10,000 for property damage; or
2. Maintaining a deposit of \$60,000 in cash or securities with DOT.

These insurance policy, bond, and deposit amounts are the same amounts as are required under current law as proof of financial responsibility for the future. The bill provides exceptions for vehicles that are owned by self-insurers; persons who are required to insure the vehicle under other provisions of law; or vehicles owned by or leased to a governmental unit, if being operated with the permission of the owner or

lessee. Any person convicted of failing to comply with this compulsory financial responsibility requirement shall forfeit not more than \$500.

The bill also requires any person operating a motor vehicle upon a highway in this state to carry proof of compulsory financial responsibility for the operation of the vehicle (such as an insurance card) or proof that he or she is exempt from this financial responsibility requirement, and to provide such proof upon demand from any law enforcement officer. Any person convicted of failing to carry such proof may be required to forfeit \$10, but no additional fees, costs, or assessments may be collected. DOT is required to include notification of both of these requirements and penalties with each operator's license that it issues.

Finally, the bill prohibits law enforcement officers from stopping or inspecting a motor vehicle solely to determine whether the compulsory financial responsibility requirement has been complied with or whether the operator is in compliance with the requirement of carrying proof with respect to such financial responsibility. An officer may, however, issue a citation for a violation observed in the course of a stop or inspection made for other purposes, but may not take the person into physical custody solely for the violation.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

Record of Committee Proceedings

Committee on Transportation

Relating to: compulsory financial responsibility for the operation of motor vehicles, granting rule-making authority, and providing a penalty.

By Representatives J. Lehman, Black, Boyle, Colon, Cullen, Gunderson, Krug and A. Williams; cosponsored by Senators Wirch, Carpenter, Chvala, Plale and Robson.

June 05, 2003 Referred to Committee on Transportation.

June 19, 2003 **PUBLIC HEARING HELD**

Present: (16) Representatives Ainsworth, Petrowski, Ott, Hahn, Suder, Friske, McCormick, Gottlieb, Van Roy, Steinbrink, Sherman, Vruwink, Staskunas, Gronemus, Hebl and Zepnick.

Absent: (0) None.

Appearances For

- Representative John Lehman, Author

Appearances Against

- Don Cleasby, National Association of Independent Insurers
- Lynn Knauf, Alliance of American Insurers
- Eric Englund, Wisconsin Insurance Alliance

Appearances for Information Only

- John Alley, WisDOT DMV
- Janet Huggins, WisDOT DMV

Registrations For

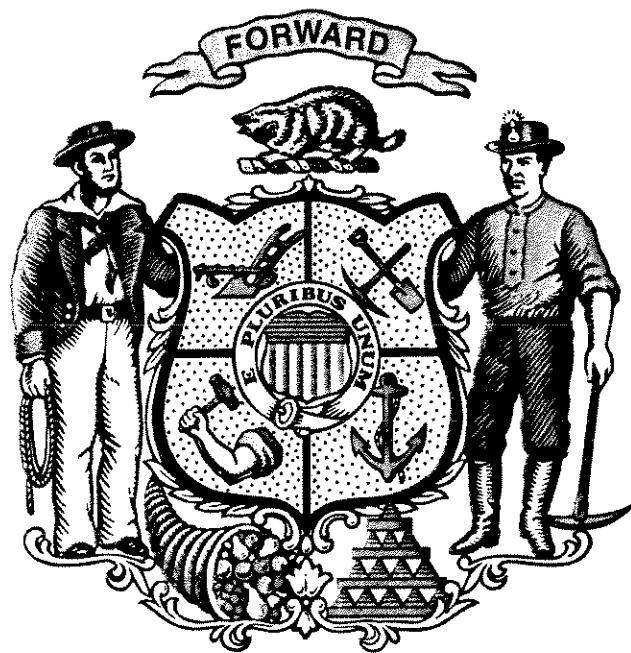
- Senator Bob Wirth, 22nd Senate District
- Tom Howells, WI Motor Carriers Association

Registrations Against

- Chet Gerlach, State Farm Insurance

March 11, 2004 Failed to pass pursuant to Senate Joint Resolution 1.

Kristina Boardman
Committee Clerk



June 15, 2005

Wednesday

June 2005

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July 2005

S M T W T F S

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32	31						

Steve Kestell's Birthday

TaskPad



Notes